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Required Report - public distribution

Date: 6/22/2010

GAIN Report Number: MO1005

Morocco

Citrus Semi-annual

2010 Morocco Citrus Semi-annual

Approved By:

Hassan. F. Ahmed, U.S. Embassy Rabat

Prepared By:

Hassan. F. Ahmed, U.S. Embassy Rabat

Report Highlights:

Morocco's citrus production in 2009/2010 is estimated at 1.4 million MT, an increase of 8 percent compared to production in the previous year. Moroccan citrus exports in 2009/2010 totaled 476,529 MT, about one percent smaller than exports in 2008/2009 and 10 percent below the target set by the Moroccan government. Citrus exports to EU countries rose 10 percent, with the Netherlands, UK and France leading export destinations. Moroccan citrus exports to Russia declined for the second consecutive year, to 192,600 MT compared to 285,000 MT in 2007/08. An agreement on phytosanitary requirements was signed in May between Morocco and China that would allow Moroccan citrus exports entry into the Chinese market.

Production:

Moroccan citrus production in 2009/2010 is estimated at 1.4 million MT, an increase of 8 percent over the production level in the previous year. This production increase was mostly due to some new plantations that entered into production this year. The Souss-Massa Valley (vicinity of Agadir/Taroudent) is by far the most important area of citrus production in Morocco. It represents about 45 percent of Morocco's total citrus production and about 80 percent of its Clementine exports. This area is also known for having the most advanced technologies in citrus production and handling in Morocco.

This year, citrus production in the Souss-Massa region suffered some damage from bad weather and flooding conditions that resulted in losses of fruits production estimated at 40,000 MT. There was also damage in citrus production in the Gharb region, the second largest producing area which accounts for 30 percent of Morocco's citrus production. About 2,500 hectares were completely flooded causing production losses of 50,000 MT of the citrus crop in the Gharb area. In total, the losses in citrus production amounted to over 180 million MDH (about \$ 25 million).

Exports:

According to most recent estimates, Morocco's citrus exports for the 2009/2010 season totaled 476,529 tons, a decline of about one percent compared to exports in the 2008/2009 season. This export level was about 10 percent short of the 532,000 MT target that was set by the Moroccan government at the beginning of the export campaign. Morocco's orange exports in 2009/2010 totaled 149,800, about 18 percent lower than exports in the previous year. The decline in orange exports was mostly due to reduced shipments of Bloody and Maroc-Late varieties. The decline in exports was in part due to unfavorable weather conditions and flooding during harvest. High fruit moisture negatively impacted crop quality, causing losses both in the field and in the warehouses. Due to quality concerns, some citrus growers were forced to sell their products in the local markets instead of exporting.

Exports of small citrus fruits in 2009/2010 totaled at 322,393 MT, an increase of 10 percent over exports in the previous year. This was mostly due to a 13 percent increase in Clementine exports, which offset the decline in exports of other small citrus fruits.

The table below provides data on Morocco's citrus exports estimates by variety for the 2008/2009 and 2009/2010:

	Exports (Metric Tons)		
Marketing Year	2008/2009	2009/2010	% changes
Total Small Citrus Fruit	293,5	322,393	10%
Clementine	180,247	204,045	13%
Nour	86,671	83,348	-4%
Nova	4,832	6,293	30%
Ortanique	8,090	4,847	-40%
Others Small Citrus Fruits	13,669	23,867	75%
Total Oranges	182,430	149,800	-18%
Moroccan - Late	106,925	84,262	-21%
Navel	25,732	23,966	-7%
Sanguine	30,504	19,553	-36%
Others	19,269	22,019	14%
Other citrus	7,208	4,336	-40%
Total Fresh Citrus	483,147	476,529	-1%

Source : E.A.C.C.E. (Export Quality Control Office)

The European Union (EU) was the lead destination for Morocco's citrus exports in 2009/10, replacing Russia as the top market. Citrus exports to the EU countries rose 10 percent, with the Netherlands, the UK and France, respectively, representing top destinations. Problems with Spain's citrus crop this year have provided an opportunity for Morocco to increase its exports to EU countries.

The following table provides data on Moroccan exports of fresh citrus fruits by destination for the past three years.

Morocco's Citrus Exports in Metric Tons, by Marketing Year and country of Destination

Market Year	2007/2008	2008/2009	2009/2010
European Union	244,058	191,472	211,252
- <i>Netherlands</i>	99,054	73,076	95,824
- <i>U.K.</i>	48,507	38,424	40,956
- <i>France</i>	40,275	34,360	41,862
- <i>Suede</i>	10,199	13,247	8,931
- <i>Finland</i>	14,364	10,774	7,549
- <i>Spain</i>	14,962	809	1,389
Russia	285,021	214,618	192,602
USA	7,807	16,520	15,426
Canada	38,998	50,644	47,645
Gulf Countries	2,919	4,965	7,112
Others	3,949	4,927	2,492
Total citrus exports	582,752	483,147	476,529

Source : E.A.C.C.E. (Export Quality Control Office)

Moroccan citrus exports to Russia declined for the second consecutive year in 2009/10, to 192,600 MT compared to 285,000 MT in 2007/08. In recent years, the Russian market has been appealing to the Moroccan exporters because of the difficulties they have been facing to comply with increasingly complex EU import requirements and standards, as well as incentives that the Moroccan government has been providing for citrus exports to non EU countries. In 2009/10, citrus exports to Russia faced stiff competition from Egyptian exports. Moroccan exporters indicate that the Egyptian suppliers enjoy a price advantage of 100 MDH per MT (\$12 MT) in the Russian market. They believe that their competitive position vs. the Egyptian exporters could be enhanced if the Moroccan government would work with Russia to lower its import duties on Moroccan citrus, reportedly assessed at \$200 dollars per MT.

Morocco's citrus exports to Canada and the U.S. declined slightly in 2009/10. Morocco's citrus exports to the U.S. are mostly small fruits and have been steadily rising since the start of implementation of the U.S.-Morocco Free Trade Agreement (FTA) in 2006. Moroccan citrus exports to the U.S. market increased from 7,807 MT in 2006/2007 to 15,426 MT in 2009/2010.

New Agreement on Moroccan Citrus Exports to China:

In May 2010, an agreement was signed between the Moroccan Ministry of Agriculture and Fisheries and China that would allow Moroccan growers to export fresh citrus to the Chinese market. The agreement was a result of collaborative efforts between the National Office of Food Safety (ONSSA) of the Moroccan Ministry of Agriculture and Chinese agricultural officials to approve the phytosanitary requirements that will allow Moroccan citrus exports entry into the Chinese market. The agreement stipulates the export registration and monitoring procedures for 18 citrus production sites that have been approved by the Chinese Ministry of Agriculture. These approved sites are mostly for Clementine and Moroccan-Late varieties. The Moroccans are very hopeful that the agreement represents a great opportunity to enter and expand Moroccan citrus exports to the huge Chinese market.

